

MACQUARIE  
UNIVERSITY



FACULTY OF  
BUSINESS AND ECONOMICS

**Unit Code: BUS 201**  
**Introduction to International**  
**Business**

**Semester 1, 2010**

*Department of Business*

**MACQUARIE UNIVERSITY  
DEPARTMENT OF BUSINESS  
UNIT OUTLINE**

**Year and Semester:** 2010 – Semester One

**Unit convenor and lecturer:** Dr. Robert Jack

Students in this unit should read this unit outline carefully at the start of semester. It contains important information about the unit. If anything in it is unclear, please consult one of the teaching staff in the unit.

**ABOUT THIS UNIT**

**BUS 201** is a 3 credit point unit.

Welcome to Introduction to International Business!

Previous students have found this subject to be a very interesting one and I trust that you will find the same. In recent years, the study of international business has gained prominence and popularity. Although international business has many similarities with domestic business, there are some important differences. International business includes all business activities that involve business organisations from two or more countries. At the international level, managers must accommodate a highly complex environment. Key variables in this environment include different currencies, different government policies concerning trade, subsidies, controls on foreign investment, as well as the variables that exist in any domestic environment such as competition, costs and customer characteristics.

This unit covers the international environment including international trade and investment, and the legal, political, cultural and economic contexts faced by internationalising organisations.

**TEACHING STAFF**

NAME	ROLE	ROOM NO.	EXT.	EMAIL ADDRESS	CONSULTING TIMES
Dr. Robert Jack	Lecturer & Convenor	E4A 643	846 3	<a href="mailto:rob.jack@mq.edu.au">rob.jack@mq.edu.au</a>	Mon 12-1400
Ms Jennifer Ruskin	Tutor	TBC	TBC	<a href="mailto:Jennifer.ruskin@mq.edu.au">Jennifer.ruskin@mq.edu.au</a>	TBC
Mr. Murray Taylor	Tutor	TBC	TBC	<a href="mailto:murray.r.taylor@gmail.com">murray.r.taylor@gmail.com</a>	TBC

## CLASSES

LECTURE TIMES	LECTURE ROOM	TUTORIALS	TUTORIAL ROOMS
MON - 1600-1800	E7B T5	MON - 1200-1300	W5A 105
MON - 1800-2000	E7B T3	MON - 1300-1400	W5A 105
		MON - 1400-1500	X5B143
		MON - 1500-1600	W5B286
		MON - 1600-1700	E8A386
		MON - 2000-2100	E6A108
		MON - 2000-2100	E6A109
		WED – 1200-1300	X5B132
		WED – 1400-1500	C5C240
		WED – 1500-1600	C5C240

The timetable for classes can be found on the University web site at: <http://www.timetables.mq.edu.au/>

## LEARNING OBJECTIVES AND OUTCOMES

This unit will provide the theoretical foundation for the BCom (IB) degree. Subsequent 300-level BCom (IB) course units will allow further in-depth study of many of the topics introduced here. Group work will allow students to interact positively, and presentations will further the development of essential business communication skills.

The learning outcomes of this unit are:

1. an understanding of the development of the global marketplace and its impact on organisations and countries
2. an understanding of major influences and controls on organisations that participate in international markets
3. an understanding of the functional aspects of international business
4. an understanding of current and future trends affecting the growth of globalisation and international business

In addition to the discipline-based learning objectives, all academic programs at Macquarie seek to develop students' generic skills in a range of areas. One of the aims of this unit is that students develop skills in the following:

- working in teams
- creative thinking skills
- communication skills

## TEACHING AND LEARNING STRATEGY

This unit is taught using lectures and 'applications lectures' (whole-of-class tutorials). Students are expected to read in advance of lectures, and actively participate in applications lectures. It is an expectation that students will attend at least 80% of classes. Students will be expected to attend lectures fully prepared to discuss assigned readings as per the course outline. Students are expected to arrive on time, certainly before five minutes past the hour, and not to leave until the class ends. If you have a recurring problem that makes you late, or forces you to

leave early, have the courtesy to discuss this with your tutor. Students are expected to be quiet during lectures unless, of course, class participation is required. Mobiles should be turned off during classes; not simply set to “silent”.

## UNIT WEB PAGE

Course materials will be available on Blackboard. <http://learn.mq.edu.au>

## REQUIRED TEXT

- Hill, C.W.L., (2009) *Global Business Today*, 6<sup>th</sup> ed, Boston: McGraw-Hill Irwin – **this is available for purchase at the University Bookshop**

## SUPPLEMENTARY TEXT

- Ciro, R., Mascitelli, B., and Muthaly, S (2009) *Australia and the global economy*, Connor Court, Melbourne – **this is available for purchase at the University Bookshop**

## Other useful references - TEXTBOOKS

- Cavusgil, S. Tamer, (2008) *International business : strategy, management, and the new realities*, Upper saddle River, N.J. : Pearson Prentice Hall, (ON RESERVE)
- Czinkota, M.R., Ronkainen, I.A., Moffett, M.H., (2005) *International business*, 7<sup>th</sup> ed, Mason, Ohio: Thomson South-Western – (ON RESERVE)
- Daniels, J.D., Radebaugh, L. H., Sullivan, D.P., (2007) *International business: environments and operations*, 11<sup>th</sup> ed, Upper Saddle River, NJ : Pearson/Prentice Hall (ON RESERVE)
- Fisher, G., (2006) *International business: managing in the Asia-Pacific*, Frenchs Forest, N.S.W. : Pearson Education Australia (ON RESERVE)
- Hill, C.W.L., (2009) *International business: competing in the global marketplace*, 7<sup>th</sup> ed, Boston : McGraw-Hill/Irwin (ON RESERVE)
- Rugman, A., (2009) *The Oxford handbook of international business*, 2<sup>nd</sup> ed, Oxford, New York: Oxford University Press (ON RESERVE)
- Wild, J.J., Wild, K. L., Han, J.C.Y., (2007) *International business: the challenges of globalization*, 4<sup>th</sup> ed, Upper Saddle River, NJ: Prentice Hall: (ON RESERVE )

**The texts listed above are the latest editions. Earlier editions of each may be more easily available for borrowing or use in the library.**

### **Other references - ACADEMIC JOURNALS**

There is a range of journals in the fields of international business and management. The titles below are indicative only of such publications. **Most are available on the library databases:**

- *Academy of Management Executive*
- *Academy of Management Review*
- *Asia Pacific Journal of Management*
- *Columbia Journal of World Business*
- *Cross Cultural Management*
- *International Journal of Human Resource Management*
- *International Business Review*
- *Journal of Asia Business*
- *Journal of International Business Studies*
- *Journal of International Management*
- *Journal of Management Development*
- *Journal of World Business*
- *Management International Review*
- *Sloan Management Review*
- *Thunderbird International Business Review*

### **Other references - PERIODICALS**

There is a range of periodicals in the fields of international business and management. The titles below are indicative only of such publications:

- *Business Week (Asian edition)*
- *Fortune*
- *Harvard Business Review*
- *The Wall Street Journal*
- *The Economist*

### **Other references - USEFUL WEBSITES**

- Australian Bureau of Statistics: <http://www.abs.gov.au/>
- Department of Foreign Affairs and Trade: <http://www.dfat.gov.au/>
- Australian Trade Commission: <http://www.austrade.gov.au/>
- World Trade Organisation: <http://www.wto.org/>
- International Monetary Fund: <http://www.imf.org/>
- The World Bank: <http://www.worldbank.org/>
- UNCTAD-United Nations Conference on Trade and Development: <http://www.unctad.org>
- International Trade Centre: <http://www.intracen.org/>
- Australian Financial Review: <http://www.afr.com.au>
- International business news:
  - orthodox views:
    - The Economist - <http://www.economist.com> (some parts available only on subscription)
  - alternative views:
    - Green Left Weekly - <http://www.greenleft.org.au>
    - New Internationalist - <http://www.newint.org>

## LECTURE PROGRAM

BUS201: SUBJECT DETAILS AND KEY DATES, SEMESTER 1, 2010

Date	Lecture topics	Tutorial activities
	<b><i>Part 1 – Introductory theoretical concepts</i></b>	
Week 1 22/02/10	<b>Topic 1 – Introduction</b> Explanation of unit outline & course expectations The implications of globalisation <b>Readings:</b> <b>Hill, Chapter 1</b> <b>Ciro et al Chapters 1 &amp; 2</b>	No tutorials this week
Week 2 01/03/10	<b>Topic 2 – International trade and investment theory</b> The conceptual basis and theoretical benefits of trade and investment <b>Readings:</b> <b>Hill, Chapter 5</b>	Forming groups, choosing topics for group assignments  Discussion questions
	<b><i>Part 2 –Major external forces influencing international business</i></b>	
Week 3 08/03/10	<b>Topic 3 – Political and legal aspects of international business</b> Political and legal systems <b>Readings:</b> <b>Hill, Chapter 2</b>	Discussion questions
Week 4 15/03/10	<b>Topic 4 – Culture and business</b> Culture and business; implications of culture for business <b>Readings:</b> <b>Hill, Chapter 3</b> <b>Ciro et al Chapter 10</b>	<b>Closing case</b> <b>Chavez’s Venezuela</b> <b>pp. 84-85</b>
Week 5 22/03/10	<b>Topic 5 – The political economy of trade</b> WTO and trade liberalisation and regulation; regionalism and trading blocs; the rise of bilateralism <b>Readings:</b> <b>Hill, Chapter 6</b> <b>Ciro et al Chapters 4 &amp; 5 (pp. 92-110)</b>	Discussion questions  <b>Individual assignment due</b>
Week 6 29/03/10	<b>Topic 6 – Foreign direct investment</b> Investment flows and categories <b>Readings:</b> <b>Hill, Chapter 7</b> <b>Ciro et al Chapter 7</b>	Discussion questions
Week 7 19/04/10	<b>Mid-semester test</b>	Discussion questions

Date	Lecture topics	Tutorial activities
Week 8 26/04/10	<b>NO CLASSES – ANZAC Day Public Holiday</b>	<b>NO CLASSES</b>
Week 9 03/05/10	<b>Topic 7 – Regional economic integration</b> Regionalism and trading blocs - the rise of bilateralism <b>Readings:</b> <b>Hill, Chapter 8</b> <b>Ciro et al Chapter 5 (pp. 111-120)</b>	Discussion questions <b>Closing case</b> <b>Starbucks foreign</b> <b>direct</b> <b>investment, pp.</b> <b>270-71</b>
Week 10 10/05/10	<b>Topic 8 – International monetary institutions</b> The role of the IMF & World Bank group <b>Readings:</b> <b>Hill, Chapter 10 – (pp. 344-54 &amp; 356-66)</b>	Discussion questions
	<b>Part 3 – International strategy and market entry modes</b>	
Week 11 17/05/10	<b>Topic 9 – The strategy of international business</b> International strategy development and firm organisation <b>Readings:</b> <b>Hill, Chapter 11</b>	Discussion questions <b>Group</b> <b>assignment due</b>
Week 12 24/05/10	<b>Topic 10 – Entering foreign markets</b> The various modes firms can use to enter overseas markets <b>Readings:</b> <b>Hill, Chapter 12 &amp; Chapter 13 (pp. 438-446)</b>	<b>Closing case</b> <b>IKEA – The</b> <b>Global Retailer</b> <b>pp.408-09</b>
Week 13 31/05/10	<b>Course Revision</b>	Exam preparation and revision

## RELATIONSHIP BETWEEN ASSESSMENT AND LEARNING OUTCOMES

Knowledge and understanding of the subject matter is assessed using a mixture of presentation, group discussion, written submission, and multiple choice and short answer exam questions. The ability to work collaboratively and creatively to build a presentation of a group view is seen as a valid demonstration of commitment to mastering the subject matter. **Please Note: You must pass the final exam to pass the unit.**

## ASSESSMENT

Assessment	Individual/ Group Task	Related Learning Outcome	Weight	Due Date
Essay	Individual	Outcomes 1 & 4	20%	Week 5
Mid semester test	Individual	Outcomes 1 & 2	10%	Week 7
Group report	Group	Outcomes 1, 2 & 3	20%	Week 11
Final exam	Individual	Outcomes 2, 3 & 4	50%	To be held in the allocated exam period

## Assessment Components - INDIVIDUAL ASSIGNMENT

The **INDIVIDUAL ASSIGNMENT** is worth **20%** of your final grade

Each student will be expected to submit an individual assignment of 2,500 words in Week 5. The required format for the assignment is an **ESSAY**. The topic is as follows:

***Choose and collect two newspaper or periodical articles that have relevance to international business. Include copies of these articles as appendices to your assignment. The articles must be published between 22<sup>nd</sup> February and 14<sup>th</sup> March 2010 in one or more Australian newspaper or periodical. Carefully select each article so that both fall into one of the major topic areas of international business.***

Now respond to the following questions:

1. Why do you consider each of these articles relevant to international business?
2. What are the implications for each of the selected articles for:
  - a. Australian government
  - b. Australian businesses; and
  - c. Other multinational corporations?
3. According to you, what is/are the most relevant theory/ies that could be used to analysis any/all of these articles? Give reasons for your answer.

Your essay should incorporate at least 15 different references. These can be sourced from the following:

- Academic articles
- Relevant textbooks
- Periodicals
- Newspapers
- Relevant online sources

The 15 references should be evenly balanced between these five resource options. Examples of all of these reference options are detailed on pages 4-5 of this guide.

Students are expected to maintain an appropriate standard in presenting their essay Remember to acknowledge your sources throughout the paper using the Harvard referencing system. The report is to be typed and 1.5 spaced (a standard 12 point font should be used). Students are expected to maintain an appropriate standard in presenting their essay. It should be checked for spelling, consistency and clarity of expression. Late submission of the assignment will incur a penalty of 10% of the value of the assignment for every day that it is late.

## Assessment Components - MID SEMESTER TEST

### The TEST is worth 10% of your final grade

A compulsory mid semester test will take place in Week 7 and will cover the lecture material and relevant readings from Weeks 1-5:

- Topic 1 – Globalisation
- Topic 2 – International trade and investment theory
- Topic 3 – Political and legal aspects of international business
- Topic 4 – Culture and business
- Topic 5 – Political economy of trade

The format of the test will comprise multiple choice questions.

## Assessment Components - GROUP REPORT

### The REPORT is worth 20% of your final grade

You will be required to join a group (of no more than four students, preferably three), and develop a 3000 word written **REPORT** on the topic detailed below:

***Analyse a developing and a developed country as a possible site for a 'greenfield' foreign direct investment. Your selection of countries should be limited to the following choices:***

- ***'Developing': Indonesia, Czechoslovakia and Chile (choose one)***
- ***'Developed': France, USA and Singapore (choose one)***

Assume that you are responsible for a large Australian manufacturing firm that is keen to internationalise by a 'greenfield' foreign direct investment via sole ownership. Consider the issues that would help you make such a business decision. For example -

- What are the advantages and disadvantages of investing in each country?
- How does the legal system affect business?
- What political, cultural and economic risks apply?

The paper should not only focus on the positive aspects of each country. It should be a balanced consideration of the overall prospects for successful investment there.

Finally, you should conclude as to which country will be the host of your investment – your final decision/recommendation must be supported and justified.

As this is a group exercise all members of the group are expected to contribute actively and substantially. While it is understood that some members of the group may provide more input in the research, whereas others may do more of the actual written work, the group will be required to acknowledge that all group members have given quality time to the project.

While writing your report, you should incorporate relevant theories and concepts to justify your arguments. Remember to acknowledge your sources throughout the paper using the Harvard referencing system. The report is to be typed and 1.5 spaced (a standard 12 point font should be used). It should be checked for spelling, consistency and clarity of expression.

Your report should incorporate at least 25 different references. These can be sourced from the following:

- Academic articles
- Relevant textbooks
- Periodicals
- Newspapers
- Relevant online sources

The 20 references need to be evenly balanced between these five resource options. Examples of all of these reference options are detailed on pages 5-6 of this guide.

## **Assessment Components - FINAL EXAM**

### **The FINAL EXAM is worth 50% of your final grade**

A compulsory two hour final exam will be set during the exam period at the end of the semester. The examination will be 'closed book'. The format of the final exam will be a combination of multiple choice and long essay questions.

### **The University examination period in Semester 1 is from 7<sup>th</sup> to 25<sup>th</sup> June 2010**

You are expected to present yourself for examination at the time and place designated in the University Examination Timetable. The timetable will be available in Draft form approximately eight weeks before the commencement of the examinations and in Final form approximately four weeks before the commencement of the examinations:

<http://www.timetables.mq.edu.au/exam>

The only exception to not sitting an examination at the designated time is because of documented illness or unavoidable disruption. In these circumstances you may wish to consider applying for Special Consideration. Information about unavoidable disruption and the special consideration process is available:

<http://www.reg.mq.edu.au/Forms/APSCon.pdf>

If a Supplementary Examination is granted as a result of the Special Consideration process the examination will be scheduled after the conclusion of the official examination period. You are advised that it is Macquarie University policy not to set early examinations for individuals or groups of students. All students are expected to ensure that they are available until the end of the teaching semester, which is the final day of the official examination period.

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are available until the end of the teaching semester, which is the final day of the official examination period.

## **PLAGIARISM**

The University defines plagiarism in its rules:

*"Plagiarism involves using the work of another person and presenting it as one's own"* Plagiarism is a serious breach of the University's rules and carries significant penalties. You must read the University's practices and procedures on plagiarism. These can be found in the *Handbook of Undergraduate Studies* or on the web at: <http://www.student.mq.edu.au/plagiarism/>

The policies and procedures explain what plagiarism is, how to avoid it, the procedures that will be taken in cases of suspected plagiarism, and the penalties if you are found guilty. Penalties may include a deduction of marks, failure in the unit, and/or referral to the University Discipline Committee.

## **STUDENT SUPPORT SERVICES**

Macquarie University provides a range of Academic Student Support Services. Details of these services can be accessed at <http://www.student.mq.edu.au>

**MARKING GUIDES FOR ASSIGNMENTS**

**BUS201 Introduction to International Business  
Individual Assignment, Semester 1, 2010**

**Essay: Marking and Feedback Summary Sheet**

Student Name: \_\_\_\_\_

Student ID: \_\_\_\_\_

Section	Grade	Comments
1	<b>Introduction</b> <i>You should provide a 1-2 paragraph overview of the essay. It is a summary of the main aim, findings and conclusion.</i>  <b>10%</b>	
2	<b>Body</b> <i>Present a critical analysis of the topic area, ensuring that all requirements are met. Relevant theoretical issues should be addressed, and your discussion should demonstrate wide reading, not just references listed in this subject outline.</i>  <b>70%</b>	
3	<b>Conclusion</b> <i>Your concluding section should be linked logically to the body of the essay, and should not raise new issues.</i>  <b>10%</b>	
4	<b>Presentation/Referencing etc</b> <i>Use the Harvard referencing system. Show a range of relevant references, including academic journal articles and books. Ensure your reference list only includes those references acknowledged within the body of your essay. Ensure that the essay contains correct spelling grammar, and is well presented.</i>  <b>10%</b>	
<b>Total</b>	<b>Mark</b> /100	

**BUS201 Introduction to International Business  
Group Assignment, Semester 1, 2010**

**Report: Marking and Feedback Summary Sheet**

**Students:** \_\_\_\_\_

<b>Section</b>	<b>Grade</b>	<b>Comments</b>
<b>1</b>	<p><b>Executive Summary</b>  <i>A brief summary covering your entire report focusing on major problems/issues, recommended solutions and their implementation. List any assumptions made.</i></p> <p><b>10%</b></p>	
<b>2</b>	<p><b>Issues and Evaluation</b>  <i>Analyse relevant issues, link to and integrate with theory</i></p> <p><b>40%</b></p>	
<b>3</b>	<p><b>Recommendations</b>  <i>Recommend a solution based on the evaluation previously outlined. Justify your choice by explaining how it will address the major issues identified earlier.</i></p> <p><b>30%</b></p>	
<b>4</b>	<p><b>Implementation</b>  <i>Explain how you will specifically implement the solution-who, when, what</i></p> <p><b>10%</b></p>	
<b>5</b>	<p><b>Presentation/Referencing etc</b>  <i>Use the Harvard referencing system. Show a range of relevant references, including academic journal articles and books. Ensure your reference list only includes those references acknowledged within the body of your essay. Ensure that the report contains correct spelling grammar, and is well presented.</i></p> <p><b>10%</b></p>	
<b>Total</b>	<b>Mark /100</b>	